



STEVE WESTLY  
California State Controller

August 19, 2003

The Honorable Phillip Angelides  
Treasurer of the State of California  
915 Capitol Mall, Room 110  
Sacramento, CA 95814

Dear Treasurer Angelides:

I have enclosed a demand for a \$3.0 billion Registered Anticipation Note (RAN) and request that it be registered for nonpayment pursuant to Government Code Section 17300.

This request is consistent with meeting cash needs identified in the Department of Finance (DOF) cash flows. These cash flows are based upon the recently passed budget and related trailer bills and assume that a \$3.0 billion RAN will be issued in September 2003. After reviewing these cash flows and all assumptions underlying them with staff from your office and the DOF, we have concluded that a \$3.0 billion RAN will be sufficient for the current year.

However, we note that the cash flows assume that the following three other borrowings will be issued during the year:

- \$2.0 billion Pension Obligation Bond
- \$2.0 billion Enhanced Tobacco Securitization Bonds
- \$10.7 billion Limited Sales Tax Revenue Bonds

Therefore, we will be monitoring the actual cash flows, including progress on these three borrowings, with your office and the DOF on a regular basis to ensure the State can meet its cash needs without a second financing request, either another RAN or a new Registered Anticipation Warrant.

The Honorable Phillip Angelides  
February 8, 2006  
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I offer the full support of the Controller's Office to assist you in the timely sale of the RAN and the other three borrowings above.

I look forward to your early response to this request.

Sincerely,

Original signed by:

STEVE WESTLY  
State Controller

Enclosure

## CONTROLLER'S DEMAND

Pursuant to Section 17300 of the Government Code of the State of California, the Controller of the State of California determines that moneys in the General Fund are expected to be insufficient for the payment of all appropriations by the Legislature of the State of California that are required to be paid in the 2003-04 fiscal year (the "Fiscal Year") out of the General Fund.

Based on the Controller's estimate of the probable income to the General Fund during the Fiscal Year and the probable dates of receipt of the income, the Controller hereby draws a demand against appropriations made from the General Fund to be paid in the Fiscal Year prior to the receipt of such income, as follows:

Education Code Section 42238	
(School District Apportionments)	\$3,000,000,000

The Treasurer of the State of California is hereby requested to register this demand for nonpayment pursuant to Section 17300 of the government Code of the State of California.

Dated: August 19, 2003

Original signed by:

STEVE WESTLY  
State Controller